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2 UNITED STATES DISTRICT COURT
3 CENTRAL DISTRICT OF CALIFORNIA
HONORABLE STANLEY BLUMENFELD, JR., U.S. DISTRICT JUDGE

4 GNGH2, INC.

5 Plaintiff,

6 VS.

No. 22-CV-5514-SB (PVCX)

7 XLD CENTURY, LLC ET AL

8 Defendant.

9
10 REPORTER'S TRANSCRIPT OF SCHEDULING CONFERENCE

11 LOS ANGELES, CALIFORNIA

12 FRIDAY, NOVEMBER 17, 2023

13 8:30 A.M.

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21 APRIL LASSITER-BENSON, RPR
22 FEDERAL OFFICIAL COURT REPORTER
23 UNITED STATES DISTRICT COURT
350 WEST 1ST STREET, ROOM 4455
LOS ANGELES, CALIFORNIA 90012
24 (213) 894-3539
25

UNREDACTED TRANSCRIPT

- A-P-P-E-A-R-A-N-C-E-S -

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1 FRIDAY, NOVEMBER 17, 2023; 8:30 A.M.

2 LOS ANGELES, CALIFORNIA

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4 **THE COURTROOM DEPUTY:** Calling Item 2, Case
5 No. 22-CV-5514, GNGH2 vs. XLD Century, LLC, et al.

6 Counsel, your appearance, starting with
7 plaintiff.

8 **MR. ABRAMS:** Good morning, Your Honor. David
9 Abrams here on behalf of Plaintiff/Relator.

10 **THE COURT:** May I have an appearance, please?

11 **MS. MOON:** Good morning, Your Honor. Dan moon
12 on behalf of the defendants.

13 **THE COURT:** This is here for a mandatory
14 scheduling conference. The complaint was filed in this
15 case, am I correct, in August of 2011. Is that a
16 mistake?

17 **MR. ABRAMS:** If I said that, it was a mistake,
18 Your Honor.

19 **THE COURT:** When was the case filed?

20 **MR. ABRAMS:** In 2022.

21 **THE COURT:** And the defense has
22 answered -- counsel, why don't you take to the lecturn,
23 if you would, please.

24 And the Government has had an
25 opportunity to consider the intervention and the

1 Government has declined; is that correct?

2 **MR. ABRAMS:** That's correct, Your Honor.

3 **THE COURT:** Am I correct that the amount at
4 issue in terms of the loans, putting aside any penalties,
5 is approximately \$4 million?

6 **MR. ABRAMS:** That's correct, Your Honor.

7 **THE COURT:** And is the focus, whether the
8 defendants were eligible with the second round of PPP
9 loans, to obtain those loans, given the Chinese interest
10 in the underlying hotels?

11 **MR. ABRAMS:** Essentially, yes, Your Honor.

12 **THE COURT:** Tell me, what if any, fact
13 disputes do you see in this case? And then I'll hear
14 from the defense as well, because they might have a
15 different perspective.

16 **MR. ABRAMS:** From my perspective, from
17 Relator's perspective, Your Honor, there should be very
18 little in the way of disputes. I don't know what they
19 intend to challenge. It's difficult for me to answer
20 that question. But from my perspective, the basic
21 facts -- none of the basic facts should be disputed.

22 **THE COURT:** And I'll hear from the defense in
23 a moment. But that doesn't surprise me, because based
24 upon my review of the joint status report, it appears
25 that perhaps there are more questions of law and

1 statutory clarity, as opposed to what the facts are. But
2 I'll defer that to defense counsel.

3 The parties are requesting a bench trial
4 on May, I think you said 8th of 2024, but we start
5 on Monday, so it will be on May 6th. That is the
6 plaintiff's request; is that correct?

7 **MR. ABRAMS:** Well, I have something else on
8 that day, so ...

9 **THE COURT:** All right. Well, we'll see if you
10 could file something if the case doesn't resolve. Since
11 this is likely to be a one-day bench trial, the Court
12 probably will have a little flexibility. But I'm going
13 to set it on the Court's date, not your date, but if it
14 turns out that -- what is the conflict that you have,
15 counsel?

16 **MR. ABRAMS:** I have a hearing before the State
17 Division of Human Rights in New York on that day.

18 **THE COURT:** All right. And you're requesting
19 to come in on a Wednesday instead of the Monday?

20 **MR. ABRAMS:** If -- yes, Your Honor. I mean,
21 unfortunately, I don't have my calendar in front of me.

22 **THE COURT:** Well, that's what you've indicated
23 to the Court so I'm going to assume you're available on
24 that date.

25 **MR. ABRAMS:** On the 8th, yes, sir.

1 **THE COURT:** I'm going to set it on the 6th,
2 but with an understanding that I'm going to accommodate
3 your trip to New York, if it still holds by then, and, of
4 course, if it appears this case is going to trial,
5 because once in a while cases resolve.

6 Have you had a discussion with defense
7 counsel about resolving this case?

8 **MR. ABRAMS:** We've touched on the issue of
9 settlement discussions and it seems -- it appears that
10 from their perspective it's a no-pay case, so, I mean,
11 probably the question's better addressed to defendant's
12 counsel.

13 **THE COURT:** All right. And I'm not looking
14 for too much of a preview on the anticipated summary
15 judgment motion. But just give me your perspective very
16 briefly, in 30 seconds, if you can, about the public
17 disclosure issue.

18 **MR. ABRAMS:** On the public -- there's really
19 two issues there, Your Honor. First of all, as the Court
20 is probably aware, the Government can remove the issue.
21 And that might very-well happen here. Additionally, the
22 public disclosures, I haven't seen what they say, the
23 public disclosures. I would question whether it's
24 actually news media as set forth in the statute.

25 **THE COURT:** And the second issue?

1 **MR. ABRAMS:** Those are the two. So, in other
2 words, it's not clear if it's news media. Also, the
3 Government -- the United States might simply decide that
4 that's not going to be an issue in this case.

5 **THE COURT:** All right. I characterize that as
6 one, but I understand your breakdown.

7 All right. Let me go ahead and hear
8 from defense counsel. Thank you.

9 Incidentally, the parties didn't
10 indicate whether they would agree to proceed before
11 a magistrate judge for all purposes. Did you have a
12 discussion with plaintiff's counsel?

13 **MS. MOON:** For the purposes of mediation, but
14 not trial.

15 **THE COURT:** All right. So, did you have a
16 discussion with plaintiff's counsel concerning presiding
17 for all purposes, which is one of the requirements that
18 the parties have to disclose to the Court in the joint
19 status report? I didn't see that in your report. Did
20 the parties meet and confer about that?

21 **MS. MOON:** No, we have not, Your Honor.

22 **THE COURT:** I'm going to order you to meet and
23 confer and file a supplemental report with regard to your
24 respective positions, letting me know that you have, in
25 fact, met and conferred as well, not with just each other

1 but you've actually spoken to your client and had a
2 discussion about it. And so, you'll file that by the
3 22nd. And that will just be a joint supplement to your
4 report.

5 You're also requesting a bench trial
6 for, and agree to my May 8th; is that correct?

7 **MS. MOON:** Yes, Your Honor.

8 **THE COURT:** All right. I'm going to set it as
9 I said, for May 6th. But the parties should be in
10 communication, because if the plaintiff does need to
11 continue for his commitment, I will seriously consider if
12 I can accommodate trailing it for a couple days to
13 accommodate his schedule.

14 And very briefly, have you had any
15 discussion with the Government as to whether it
16 would waive the public disclosure issue?

17 **MS. MOON:** With the plaintiff, the Relator,
18 Your Honor?

19 **THE COURT:** With the Government.

20 **MS. MOON:** I have not.

21 **THE COURT:** So you've not been in contact with
22 the Government at all with respect to this case?

23 **MS. MOON:** That's correct, Your Honor.

24 **THE COURT:** And very briefly, I'll give you an
25 opportunity. Tell me what the extent of public

1 disclosure there was. And this needs to be brief. I
2 have a lot of people in the audience.

3 **MS. MOON:** At least, there was an article in
4 the Los Angeles Times and Daily Breeze, that would
5 constitute news media as defined by the statute.

6 **THE COURT:** And was your clients actually
7 identified in connection with the LA Times and the Daily
8 Breeze articles?

9 **MS. MOON:** Yes, Your Honor.

10 **THE COURT:** All right. Is there anything that
11 you wish to address with the Court concerning scheduling
12 before I conclude this matter, counsel?

13 **MS. MOON:** No, Your Honor.

14 **THE COURT:** All right. This matter is
15 concluded and the Court will issue a case management
16 order that sets this matter for an agreed upon bench
17 trial on May 6th of next year.

18 Thank you, counsel.

19 **MS. MOON:** Thank you, Your Honor.

20 (WHEREUPON, the foregoing proceedings were
21 adjourned at 8:53 a.m.)

22 (Adjournment).

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C E R T I F I C A T E

I, April Lassiter-Benson, do hereby certify that the foregoing 9 pages are, to the best of my knowledge, skill and ability, a true and accurate transcript from my stenotype notes in the matter of:

GNGH2

vs.

XLD CENTURY, LLC. ET AL

Dated this 5th day of December, 2023.

S/APRIL LASSITER-BENSON
Official Court Reporter
United States District Court
Central District of California